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Ethics Panel Will Review Cash Gifts to Talmadge

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The Senate Select Committee on Ethics will meet next month to decide whether it should conduct an inquiry into disclosures that Sen. Herman E. Talmadge, D-Ga., has routinely accepted cash gifts throughout his public career.

The committee will take up the matter at its regularly scheduled meeting the week of June 4 when Congress returns from its Memorial Day recess, according to a statement issued today by Sen. Adlai E. Stevenson, D-Ill., committee chairman, and the panel's staff.

"The press reports (concerning Talmadge's acceptance of cash gifts) will be brought to the attention of the committee at its next meeting," the statement said.

Talmadge, chairman of the Senate Agriculture Committee, acknowledged in an interview published Sunday in The Washington Star that he has used "small gifts of cash" from friends and supporters to cover thousands of dollars in personal cash expenditures over the years.

HE WAS responding to an unusual revelation in his current divorce settlement proceedings — that he wrote only one check to "cash" during the first seven years of this decade. Only one other check during the period,

also for \$300, appears to have been for the same purpose; it was made out to himself.

Talmadge explained that his Georgia backers routinely have supplied him with the "pocket money" he's needed throughout his 31 years in public office. He said his out-of-pocket cash needs are only about \$25 a week. Talmadge said he didn't need much pocket money since most of his financial transactions were by check.

He also said he got much of his clothing free, and frequently enjoyed courtesy lodging on his trips home to Georgia.

IN THE brief statement issued today, Stevenson and the committee staff said:

"Cash gifts do not necessarily violate the Senate Code of Conduct. The code prohibits the acceptance of gifts aggregating in excess of \$100 from a person who has a direct interest in legislation. If funds were received for the purpose of defraying official expenses, the new rule against unofficial office accounts would be violated

...
"If gifts were made during 1968-1977, and they aggregated \$50 or more from any one source in any one

year, the gifts should have been reported. Gifts in excess of \$100, and gifts of travel, food and lodging in excess of \$250, must be reported under the new code starting with calendar year 1978."

TALMADGE never disclosed any of the gifts, which he said were in the range of \$5 to \$20 and therefore not subject to reporting requirements. He said he never reported the gifts as income because recipients do not have to declare them under the Internal Revenue Code.

Talmadge was granted a divorce from his wife, Betty, last year. The first hint that he accepted cash gifts, lodging and clothing came during a deposition the senator gave in August 1977.

Some of his free clothing was given him by Sewell Manufacturing Co. of Bremen, Ga. Roy Sewell Jr., the firm's president, said he was unaware of any such arrangement, but he said his father, Roy Sewell Sr., chairman of the company, was a close friend of Talmadge. The elder Sewell was not available for comment.

Talmadge also has received free lodging over the years from the American Motor Hotel in Atlanta. Dr. Marvin Goldstein of Atlanta, who is president of the company that owns the hotel, confirmed the arrangement. He said he "very close friend" of the senator.